
2007 Annual Report

Central Loop Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2008

June 30, 2008

Mr. Arnold L. Randall
Commissioner
Department of Planning and Development
121 North LaSalle Street
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the Central Loop Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.6-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City Departments.

Very truly yours,



Ernst & Young LLP

Central Loop Redevelopment Project Area 2007 Annual Report

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City of Chicago
Richard M. Daley, Mayor

Department of Planning and
Development

Arnold L. Randall
Commissioner

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June 30, 2008

The Honorable Daniel Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Dear Comptroller Hynes:

We have compiled the attached information for the Central Loop
Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-
74.4-5(d).

Sincerely,

Arnold L. Randall
Commissioner



Central Loop Redevelopment Project Area 2007 Annual Report

(1) DATE OF DESIGNATION OR TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated on June 20, 1984. The Project Area may be terminated no later than December 31, 2008.

**Central Loop Redevelopment Project Area
2007 Annual Report**

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

Please see attached.

Deloitte.

City of Chicago, Illinois
Central Loop Redevelopment
Project

Financial Statements as of and for the Year Ended
December 31, 2007, Required Supplementary
Information and Additional Information for the Year
Ended December 31, 2007, and
Independent Auditors' Report

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Richard M. Daley, Mayor, and
Members of the City Council of
City of Chicago, Illinois:

We have audited the accompanying basic financial statements of the City of Chicago, Illinois' (the "City") Central Loop Redevelopment Project (the "Project") as of and for the year ended December 31, 2007, as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the respective net assets or financial position of the government-wide activities and governmental funds and the agency fund of the Project as of December 31, 2007, and the respective changes in their financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 to 3 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the City's management. We have applied certain limited procedures that consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit such information and do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Project's basic financial statements. The additional information (page 15) is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is required by the Illinois Tax Increment Financing Act of 1997. This supplementary information is the responsibility of the City's management. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP
June 20, 2008

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Central Loop Redevelopment Project (the "Project"), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2007. Please read it in conjunction with the Project's financial statements and notes to the financial statements immediately following this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include four components: 1) Government-Wide Financial Statements, 2) Governmental Fund Financial Statements, 3) Statement of Fiduciary Net Assets and 4) notes to the financial statements. This report also contains additional information concerning the Project's expenditures as required by Illinois statutory code.

Basic Financial Statements include three kinds of financial statements that present different views of the Project — the Government-Wide Financial Statements, the Governmental Fund Financial Statements, and the Fiduciary Statement of Net Assets. These financial statements also include the notes to the financial statements that explain information in the financial statements and provide more detail.

Government-Wide Financial Statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities using the accrual basis of accounting. The two government-wide statements report the Project's net assets and how they have changed. Net assets — the difference between the Project's assets and liabilities — is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements provide more detailed information about the Project's significant funds — not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows, and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Such statements are prepared on the modified accrual basis of accounting. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional reconciling information in a separate statement to explain the relationship (or differences) between the two.

Statement of Fiduciary Net Assets accounts for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the Project's own programs. The Project's fiduciary activity is presented in a separate Statement of Fiduciary Net Assets.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements, governmental fund financial statements and Statement of Fiduciary Net Assets. The notes to the financial statements follow the basic financial statements.

Additional Information presents a schedule of expenditures as required by Section 11-74.4-5 of the Illinois Tax Increment Redevelopment Allocation Act. This additional information follows the notes to the financial statements.

Condensed Comparative Government-Wide Financial Statements

	Government-Wide Statements			% Change
	2007	2006	Change	
Total assets	\$ 361,583,552	\$ 336,044,415	\$ 25,539,137	8 %
Liabilities:				
Liabilities due within one year	174,367,386	87,768,826	86,598,560	99 %
Liabilities due after one year	<u> </u>	<u>155,657,522</u>	<u>(155,657,522)</u>	(100)%
Total liabilities	174,367,386	243,426,348	(69,058,962)	(28)%
Net assets:				
Restricted for debt service	162,749,253	196,978,818	(34,229,565)	(17)%
Restricted for future redevelopment project costs	<u>24,466,913</u>	<u>(104,360,751)</u>	<u>128,827,664</u>	123 %
Total net assets	<u>\$ 187,216,166</u>	<u>\$ 92,618,067</u>	<u>\$ 94,598,099</u>	102 %
Total revenues	\$ 128,246,899	\$ 123,268,130	\$ 4,978,769	4 %
Total expenditures/transfers out	<u>33,648,800</u>	<u>35,175,105</u>	<u>(1,526,305)</u>	(4)%
Change in net assets	94,598,099	88,093,025	6,505,074	7 %
Beginning net assets	<u>92,618,067</u>	<u>4,525,042</u>	<u>88,093,025</u>	1,947%
Ending net assets	<u>\$ 187,216,166</u>	<u>\$ 92,618,067</u>	<u>\$ 94,598,099</u>	102 %

Analysis of Overall Financial Position and Results of Operations

Total assets increased \$25.5 million or 8% from 2006 as a result of an increase in cash and cash equivalents, cash with escrow agent and property tax receivables. Liabilities decreased as a result of \$56.7 million in principal payments. Property tax revenue increased \$4.8 million or 5% due to the Project's economic growth and accordingly increasing the total equalized assessed value of parcels and subsequent tax increment and related collections. Expenditures decreased in 2007 as necessary funding was not substantially complete or available to provide for certain economic development projects.

Debt Administration

General Obligation and Tax Increment Allocation Bonds outstanding at December 31, 2007 amounted to \$162.7 million. More detailed information about the Project's bonds payable is presented in Note 3 of the financial statements.

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

**GOVERNMENT-WIDE STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUNDS COMBINED BALANCE SHEET
AS OF DECEMBER 31, 2007**

	Governmental Funds	Adjustments	Government- Wide Activities
ASSETS:			
Cash and cash equivalents (Note 2)	\$ 90,540,378	\$	\$ 90,540,378
Investments (Note 2)	35,248,734		35,248,734
Cash and investments with escrow agent (Note 2)	133,985,208		133,985,208
Other assets		199,396	199,396
Property taxes receivable	100,000,000		100,000,000
Accrued interest receivable	<u>1,609,836</u>		<u>1,609,836</u>
TOTAL ASSETS	<u>\$ 361,384,156</u>	<u>\$ 199,396</u>	<u>\$ 361,583,552</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Vouchers payable	\$ 7,836,505	\$	\$ 7,836,505
Accrued interest	1,121,627	264,446	1,386,073
Due to other funds	2,034,846		2,034,846
Accrued liabilities	360,709		360,709
Deferred revenue	95,039,930	(95,039,930)	
Bonds payable — due within one year (Note 3)	<u>162,749,253</u>	<u>162,749,253</u>	<u>162,749,253</u>
Total liabilities	<u>106,393,617</u>	<u>67,973,769</u>	<u>174,367,386</u>
Fund balance/net assets — fund balance:			
Reserved for encumbrances (Note 4)	874,000	(874,000)	
Reserved for debt service	138,183,589	(138,183,589)	
Designated for future redevelopment project costs	<u>115,932,950</u>	<u>(115,932,950)</u>	
Total fund balance	<u>254,990,539</u>	<u>(254,990,539)</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 361,384,156</u>		
NET ASSETS:			
Restricted for debt service		162,749,253	162,749,253
Restricted for future redevelopment project costs		<u>24,466,913</u>	<u>24,466,913</u>
TOTAL NET ASSETS		<u>\$ 187,216,166</u>	<u>\$ 187,216,166</u>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINED BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2007**

Amounts reported for government-wide activities in the statement of net assets are different because:

Total fund balance for governmental funds.	\$ 254,990,539
Property tax revenue is recognized in the period for which levied rather than when "available." A portion of the deferred property tax revenue is not available.	95,039,930
Debt issuance costs are deferred and recognized as other assets rather than expensed when incurred.	199,396
Interest due on certain long-term obligations are accrued when incurred instead of when funds are available.	(264,446)
Long-term liabilities:	
Bonds payable	(140,621,671)
Accreted interest	<u>(22,127,582)</u>
Total net assets for government-wide activities	<u>\$ 187,216,166</u>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN NET ASSETS AND FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Funds	Adjustments	Statement of Activities
REVENUES:			
Property taxes	\$ 112,141,079	\$ (2,495,554)	\$ 109,645,525
Interest on investments	9,504,398		9,504,398
Sale of land	4,846,946		4,846,946
Miscellaneous	4,250,030		4,250,030
	<u>130,742,453</u>	<u>(2,495,554)</u>	<u>128,246,899</u>
EXPENDITURES:			
Economic development projects	23,170,490	281,503	23,451,993
Debt service:			
Principal retirement	56,714,785	(56,714,785)	
Interest expense	16,497,829	(6,301,022)	10,196,807
	<u>96,383,104</u>	<u>(62,734,304)</u>	<u>33,648,800</u>
REVENUES OVER EXPENDITURES	34,359,349	(34,359,349)	
CHANGE IN NET ASSETS		94,598,099	94,598,099
FUND BALANCE/NET ASSETS:			
Beginning of year	<u>220,631,190</u>	<u>(128,013,123)</u>	<u>92,618,067</u>
End of year	<u>\$ 254,990,539</u>	<u>\$ (67,774,373)</u>	<u>\$ 187,216,166</u>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINED STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS AND
FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

The change in net assets reported for government-wide activities in the statement of activities is different because:

Revenues over expenditures-total governmental funds.	\$ 34,359,349
Property tax revenue is recognized in the period for which levied rather than when "available." A portion of the deferred property tax revenue is not available.	(2,495,554)
Debt issuance costs are deferred over the life of the debt rather than when incurred.	(281,503)
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.	56,714,785
Accreted interest on capital appreciation bonds.	<u>6,301,022</u>
Change in net assets of government-wide activities	<u>\$ 94,598,099</u>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

**STATEMENT OF FIDUCIARY NET ASSETS
AS OF DECEMBER 31, 2007**

	Agency Fund
ASSETS:	
Cash and cash equivalents (Note 2)	\$ 3,998,212
Accrued interest receivable	<u>20,147</u>
Total assets	4,018,359
LIABILITIES — Accrued liabilities	<u>4,018,359</u>
NET ASSETS	<u>\$</u>

See notes to financial statements.

CITY OF CHICAGO, ILLINOIS

CENTRAL LOOP REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2007

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity — The Central Loop Redevelopment Project (the “Project”) was established as a Tax Increment Financing (TIF) district by the City of Chicago, Illinois (the “City”) in 1997. The Project is an extension of the North Loop Redevelopment Project established on June 20, 1984, and will terminate on December 31, 2008. The Project has been established to finance improvements, leverage private investment, and create and retain jobs within the TIF district.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation — The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The fiduciary funds are excluded from the government-wide financial statements.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred. The Project is accounted for within the capital projects, debt service, special revenue, and agency funds of the City.

Governmental Funds — The Project is accounted for within the capital projects, debt service, and special revenue fund types of the City. Capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities. Debt service funds account for the accumulation of resources for, and the payment of, debt and related costs. Special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal, grant or regulatory provisions or administrative action. These funds are presented herein on a combined basis.

Fiduciary (Agency) Fund — An agency fund accounts for assets held by the Project in a trustee capacity for a developer deposit. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources, as they are needed.

Management's Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Assets, Liabilities, and Net Assets:

Cash, Cash Equivalents, and Investments — The bond proceeds and incremental taxes associated with the Project are deposited with the City Treasurer or a trust account. The Municipal Code of Chicago (the "Code") permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal and state savings and loan associations, located within the City, whose deposits are federally insured. The City uses separate escrow accounts in which certain tax revenues are deposited and held for payment of general obligation debt.

Investments authorized by the Code include interest-bearing general obligations of the City, State of Illinois (the "State"), and U.S. Government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. Government purchased in the open market below face value; domestic money market funds regulated and in good standing with the Securities and Exchange Commission; and tax anticipation warrants issued by the City. The City is prohibited by ordinance from investing in derivatives, as defined, without City Council approval.

Investments, generally, may not have a maturity in excess of one year from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinance.

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

Capital Assets — The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City include the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e., infrastructure or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds, as neither the City nor Project will retain the right of ownership.

Stewardship, Compliance, and Accountability:

Illinois Tax Increment Redevelopment Allocation Act Compliance — The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing, and relocation costs.

Reimbursements — Reimbursements are made to the developer for project costs, as public improvements are completed and pass City inspection. The semiannual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Investments — As of December 31, 2007, the Project had the following Investments:

Investment Type	Investment Maturities (in Years)				Fair Value
	Less Than 1	1-5	6-10	More Than 10	
U.S. agencies	\$ 37,396,983	\$ 5,014,600	\$	\$	\$ 42,411,583
Certificates of deposits and other short term	<u>145,220,376</u>	<u> </u>	<u> </u>	<u> </u>	<u>145,220,376</u>
Subtotal	<u>\$ 182,617,359</u>	<u>\$ 5,014,600</u>	<u>\$</u>	<u>\$</u>	187,631,959
Share of City's pooled funds					<u>20,839,138</u>
Total					<u>\$ 208,471,097</u>

Interest Rate Risk — As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that investments generally may not have a maturity date in excess of 10 years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Credit Risk — The Code limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by at least two national rating agencies and who are required to maintain such rating during the term of such investment. The Code also limits investments to domestic money market mutual funds regulated by, and in good standing with, the Securities and Exchange Commission. Certificates of Deposit are also limited by the Code to national banks which provide collateral of at least 105% by marketable U.S. government securities marked to market at least monthly; or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category, as rated by a nationally recognized statistical rating organization maintaining such rating during the term of such investment. The following schedule summarizes the Project's exposure to credit risk:

Quality Rating

Aaa/AAA	<u>\$ 187,631,959</u>
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The Project participates in the City's pooled cash and investments account which includes amounts from other City funds and is maintained by the City Treasurer. Individual cash or investments are not specifically identifiable to any participant in the pool. The Treasurer's pooled fund is included in the City's Comprehensive Annual Financial Report.

Custodial Credit Risk — Cash and Certificates of Deposit — This is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's Investment Policy states that in order to protect the City public fund deposits, depository institutions are to maintain collateral pledges on City deposits during the term of the deposit of at least 105% of marketable U.S. government, or approved securities or surety bonds, issued by top-rated insurers. Collateral is required as security whenever deposits exceed the insured limits of the Federal Deposit Insurance Corporation (FDIC). The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$515.7 million. Of the bank balance, \$509.4 million or 98.8% was either insured or collateralized with securities held by City agents in the City's name. The remainder was uninsured and uncollateralized.

The following schedule summarizes the investments reported in the basic financial statements:

Per Note 2:	
Investments	\$ 187,631,959
Investments — City Treasurer pooled fund	<u>20,839,138</u>
	<u>\$ 208,471,097</u>
Per financial statements:	
Investments	\$ 35,248,734
Investments included in cash and investments with escrow agent	133,985,208
Investments included as cash and cash equivalents on the statement of net assets	<u>39,237,155</u>
	<u>\$ 208,471,097</u>

3. BONDS PAYABLE

In September 2003, the City authorized and issued the City of Chicago General Obligation Bonds (Central Loop Redevelopment Project) Series 2003 (\$137.0 million). The bonds were sold as capital appreciation bonds and have yields ranging from 2.3% to 4.07% and have maturity dates ranging from December 1, 2005 to December 1, 2008. Net proceeds (\$135.6 million) will be used to finance certain Project costs. Available tax increment revenues, an ad valorem tax levy, or any revenues of the City legally available for that purpose can be used to fund the debt service.

Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 2000 A and Taxable Series 2000 B (\$142.3 million) were sold in November 2000. The Series 2000 A (\$79.9 million) were sold as capital appreciation bonds having yields of 5.03% and maturity dates ranging from December 1, 2005 to December 1, 2008. The Taxable Series 2000 B (\$62.4 million) were sold as current interest bonds having interest rates ranging from 6.55% to 6.8% with maturity dates ranging from December 1, 2002 to December 1, 2005. Net proceeds of \$139.4 million will be used to finance certain Project costs (\$125.2 million) and fund the debt service reserve account (\$14.2 million).

Subordinate Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 2000 A (\$98.9 million) were sold in November 2000. The bonds have interest rates ranging from 6.25% to 6.5% with maturity dates ranging from December 1, 2002 to December 1, 2008. Net proceeds of \$95.9 million together with certain proceeds of \$10.0 million released from the debt service reserve account in respect to the Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 1997 A were used to advance refund all of the Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 1997 A (\$95.0 million); fund the debt service reserve requirement for the Subordinate Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 2000 A (\$9.9 million); and fund a portion of the Project costs (\$1.0 million). The advance refunding increased total debt payments by \$22.9 million and resulted in an economic loss of \$9.2 million. The City advance refunded the Series 1997 A bonds in order to remove certain covenants and to issue new bonds to finance additional redevelopment project costs.

In November 1997, the City authorized and issued the City of Chicago Tax Increment Allocation Bonds (Central Loop Redevelopment Project) Series 1997 A (\$96.0 million) and Taxable Series 1997 B (\$91.0 million). The bonds have interest rates ranging from 4.5% to 6.375% and have maturity dates ranging from June 1, 1999 to June 1, 2007. Certain net proceeds (\$166.6 million) are to be used to

finance redevelopment of the TIF district. During 2000, \$96.0 million was defeased with the issuance of the new bonds.

Long-term liability activity for the year ended December 31, 2007, was as follows:

	Bonds Payable	Capital Appreciation Bonds	Total Bonds
Beginning balance	\$ 197,336,456	\$ 28,406,066	\$ 225,742,522
Additions		7,091,731	7,091,731
Reductions	<u>(56,714,785)</u>	<u>(13,370,215)</u>	<u>(70,085,000)</u>
Ending balance	<u>\$ 140,621,671</u>	<u>\$ 22,127,582</u>	<u>\$ 162,749,253</u>
Amounts due within one year	<u>\$ 140,621,671</u>	<u>\$ 22,127,582</u>	

The following summarizes debt service requirements as of December 31, 2007:

Year Ending December 31	Principal	Interest	Total
2008	<u>\$ 140,621,671</u>	<u>\$ 29,015,829</u>	<u>\$ 169,637,500</u>

4. COMMITMENTS

As of December 31, 2007, the Project has entered into contracts for approximately \$874,000 for services and construction projects.

* * * * *

ADDITIONAL INFORMATION

**CITY OF CHICAGO, ILLINOIS
CENTRAL LOOP REDEVELOPMENT PROJECT**

**SCHEDULE OF EXPENDITURES BY STATUTORY CODE
FOR THE YEAR ENDED DECEMBER 31, 2007**

EXPENDITURES:

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, and marketing	\$ 2,618,948
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	6,752,384
Costs of the construction of public works or improvements	12,967,502
Costs of job training and retraining projects	831,656
Costs of financing, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>73,212,614</u>
TOTAL EXPENDITURES	<u>\$96,383,104</u>

**Central Loop Redevelopment Project Area
2007 Annual Report**

(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

Please see attached.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Tallamantez, Director of Local
Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Peter C. Nicholson, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602

Dan Donovan, Comptroller
Forest Preserve District of Cook County
69 W. Washington Street, Suite 2060
Chicago, IL 60602

Martin Koldyke, Chairman
Chicago School Finance Authority
135 South LaSalle Street, Suite 3800
Chicago, Illinois 60603

Timothy Mitchell, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

Arne Duncan, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Jacqueline Torres, Director of Finance
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Central Loop Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

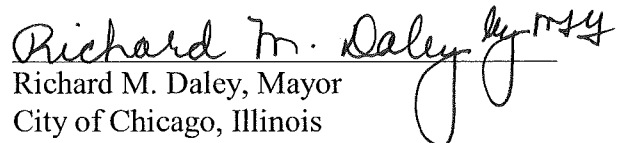
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2007, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2008.


Richard M. Daley, Mayor
City of Chicago, Illinois

**Central Loop Redevelopment Project Area
2007 Annual Report**

(4) OPINION OF LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)

Please see attached.



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602

(312) 744-0200
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

<http://www.cityofchicago.org>

June 30, 2008

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Tallamantez, Director of
Local Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

Peter C. Nicholson, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602

Dan Donovan, Comptroller
Forest Preserve District of Cook County
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Martin Koldyke, Chairman
Chicago School Finance Authority
135 South LaSalle Street, Suite 3800
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Timothy Mitchell, General Superintendent
& CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

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of Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

Douglas Wright
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Re: Central Loop
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the "City"). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.



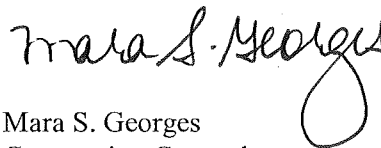
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Mara S. Georges
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**Central Loop Redevelopment Project Area
2007 Annual Report**

(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)

Please see attached.

CENTRAL LOOP REDEVELOPMENT PROJECT AREA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2007

	2007
Revenues	
Property taxes	\$ 112,141,079
Sales taxes	-
Interest on investments	9,504,398
Sale of land	4,846,946
Miscellaneous	<u>4,250,030</u>
Total revenues	130,742,453
Expenditures	
Costs of studies, admin., and professional services. (q)(1)	2,618,948
Marketing costs. (q)(1.6)	-
Property assembly, demolition, site preparation and environmental site improvement costs. (q)(2)	-
Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings. (q)(3)	6,752,384
Costs of construction of public works and improvements. (q)(4)	12,967,502
Cost of job training and retraining. (q)(5)	831,656
Financing costs. (q)(6)	73,212,614
Approved capital costs of overlapping taxing districts. (q)(7)	-
Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects (q)(7.5)	-
Relocation costs. (q)(8)	-
Payments in lieu of taxes. (q)(9)	-
Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. (q)(10)	-
Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. (q)(11)(A-E)	-
Costs of construction of new housing units for low income and very low income households. (q)(11)(F)	-
Cost of day care services and operational costs of day care centers. (q)(11.5)	<u>-</u>
Total expenditures	96,383,104
Revenues over expenditures	34,359,349
Fund balance, beginning of year	<u>220,631,190</u>
Fund balance, end of year	<u>\$ 254,990,539</u>
Fund balance	
Reserved for debt service	\$ 138,183,589
Reserved for encumbrances	874,000
Designated for future redevelopment projects costs	<u>115,932,950</u>
Total fund balance	<u>\$ 254,990,539</u>

**Central Loop Redevelopment Project Area
2007 Annual Report**

**(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)
cont.**

Below is listed all vendors, including other municipal funds, that were paid in excess of \$5,000 during the current reporting year.*

Name	Service	Amount
City Staff Costs ¹	Administration	\$2,000,174
City Program Management Costs	Administration	\$25,482
Neal & Leroy LLC	Professional Service	\$34,384
Globetrotters Eng.	Professional Service	\$43,591
Deloitte & Touche	Professional Service	\$30,000
Katten, Muchin and Rosenman LLP	Professional Service	\$6,750
URS Corp.	Professional Service	\$475,662
Shubert Hotel Associates LLC	Development	\$5,564,650
PalMet Venture	Development	\$1,187,734
Public Building Commission	Public Improvement	\$9,092
Old Veterans Construction	Public Improvement	\$34,553
Earth Tech, Inc.	Public Improvement	\$248,260
Aldridge Electric Inc.	Public Improvement	\$3,221,294
The Gordian Group	Public Improvement	\$16,185
Pacific Construction Services	Public Improvement	\$211,159
Chicago Department of Transportation	Public Improvement	\$933,861
Chicago Department of Streets and Sanitation	Public Improvement	\$5,736
Muller & Muller	Public Improvement	\$195,964
T Y Lin International	Public Improvement	\$117,909
Harleyellis-Spectrum	Public Improvement	\$111,957
FHP Tectonics	Public Improvement	\$1,186,130
Collins Engineers	Public Improvement	\$340,185
Transystems Corp.	Public Improvement	\$20,000
Capitol Cement Co.	Public Improvement	\$850,338
G.F. Structures	Public Improvement	\$119,447

**Central Loop Redevelopment Project Area
2007 Annual Report**

**(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)
cont.**

Below is listed all vendors, including other municipal funds, that were paid in excess of \$5,000 during the current reporting year.*

Name	Service	Amount
Oakley Construction	Public Improvement	\$930,023
METRA	Public Improvement	\$2,942,396
Chicago Transit Authority	Public Improvement	\$1,445,000
DuSable Inc.	Public Improvement	\$11,315
OAI, Inc.	Job Training	\$196,174
Emp & Emp SVCS	Job Training	\$216,594
Jobs for Youth/Chicago	Job Training	\$418,888
Cole Taylor Bank	Financing	\$73,212,614

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**Central Loop Redevelopment Project Area
2007 Annual Report**

(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

During 2007, the City did not purchase any property in the Project Area.

Central Loop Redevelopment Project Area 2007 Annual Report

(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)

- (A)** Projects implemented in the preceding fiscal year.
- (B)** A description of the redevelopment activities undertaken.
- (C)** Agreements entered into by the City with regard to disposition or redevelopment of any property within the Project Area.
- (D)** Additional information on the use of all Funds received by the Project Area and steps taken by the City to achieve the objectives of the Redevelopment Plan.
- (E)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
- (F)** Joint Review Board reports submitted to the City.
- (G)** Project-by-project review of public and private investment undertaken from 11/1/99 to 12/31/07, and of such investments expected to be undertaken in year 2008; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/07, and an estimated ratio of such investments as of the completion of each project and as estimated to the completion of the redevelopment project.

SEE TABLES AND/OR DISCUSSIONS ON THE FOLLOWING PAGES.

Central Loop Redevelopment Project Area 2007 Annual Report

(7)(A) - 65 ILCS 5/11-74.4-5(d)(7)(A)

During 2007, no projects were implemented.

(7)(B) - 65 ILCS 5/11-74.4-5(d)(7)(B)

Redevelopment activities undertaken within this Project Area during the year 2007, if any, have been made pursuant to i) the Redevelopment Plan for the Project Area, and ii) any Redevelopment Agreements affecting the Project Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

(7)(C) - 65 ILCS 5/11-74.4-5(d)(7)(C)

During 2007, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

Central Loop Redevelopment Project Area 2007 Annual Report

TABLE 7(C) (continued)
AGREEMENTS ENTERED INTO WITH REGARD TO THE DISPOSITION & REDEVELOPMENT
OF PROPERTY WITHIN THE PROJECT AREA

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	BUYER OF PROPERTY
171 N. STATE	N/A	N/A	N/A

Central Loop Redevelopment Project Area 2007 Annual Report

(7)(D) - 65 ILCS 5/11-74.4-5(d)(7)(D)

The Project Area has received \$861,852,830 of property tax and sales tax (if applicable) increment since the creation of the Project Area. These amounts have been used to pay for project costs within the Project Area and for debt service (if applicable). The Project Area's fund balance as shown on Table 5 represents (on a modified accrual basis) financial resources (including increment) that have not been expended.

(7)(E) - 65 ILCS 5/11-74.4-5(d)(7)(E)

During 2007, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

(7)(F) - 65 ILCS 5/11-74.4-5(d)(7)(F)

During 2007, no reports were submitted to the City by the Joint Review Board.

**Central Loop Redevelopment Project Area
2007 Annual Report**

(7)(G) - 65 ILCS 5/11-74.4-5(d)(7)(G)

TABLE 7(G)

PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

Projects Undertaken in This Redevelopment Project Area	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 1: Dearborn Center, L.L.C.	***	\$327,200,000	\$7,673,710	\$10,000,000	***	32.7 : 1
Project 2: CLIF Program **	Program is Ongoing	\$3,000,000	\$1,271,914	\$1,500,000	Program is Ongoing	2.0 : 1
Project 3: American Youth Hostels	***	\$10,470,000	\$3,373,589	\$3,530,000	***	3.0 : 1
Project 4: Canal Street Hotel Partners LP	\$19,325,000	Project Completed	\$2,458,426	Project Completed	7.9 : 1	Project Completed
Project 5: Goodman Theater	\$40,783,000	Project Completed	\$18,458,216	Project Completed	2.2 : 1	Project Completed
Project 6: Palmet Venture, L.L.C.	***	\$60,100,000	\$17,600,000	\$17,600,000	***	3.4 : 1
Project 7: Livent Realty (Chicago) Inc.	\$15,000,000	Project Completed	\$18,399,077	Project Completed	.81 : 1	Project Completed
Project 8: 201 North Wells Investors, L.L.C.; 201 Wells Investors, Inc.	\$38,439,149	Project Completed	\$7,000,000	Project Completed	5.5 : 1	Project Completed
Project 9: 330 South Michigan	***	\$21,308,040	\$1,299,776	\$2,040,000	***	10.4 : 1
Project 10: Chicago Oxford Associates LP	\$25,800,000	Project Completed	\$1,608,871	Project Completed	16.0 : 1	Project Completed
Project 11: Chicago Symphony Orchestra	\$64,500,000	Project Completed	\$2,500,000	Project Completed	25.8 : 1	Project Completed

**Central Loop Redevelopment Project Area
2007 Annual Report**

**TABLE 7(G) – (continued)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT ***

Projects Undertaken in This Redevelopment Project Area	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY 2004	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project
Project 12: EthnicGrocer.com, Inc.	***	\$2,548,918	\$0	\$1,148,255	***	2.2 : 1
Project 13: Fisher Building	\$27,280,973	Project Completed	\$6,600,000	Project Completed	4.1 : 1	Project Completed
Project 14: Mentor Building, LLC	\$9,006,161	Project Completed	\$2,500,000	Project Completed	3.6 : 1	Project Completed
Project 15: Michigan Wacker Associates, L.L.C.	\$9,200,000	Project Completed	\$1,500,000	Project Completed	6.1 : 1	Project Completed
Project 16: One North Dearborn LLC	\$124,055,809	Project Completed	\$13,662,953	Project Completed	9.1 : 1	Project Completed
Project 17: One South State Street, L.L.C.	***	\$63,415,586	\$5,500,000	\$5,500,000	***	11.5 : 1
Project 18: St. George Hotel, L.L.C.; HRH Development, L.L.C.	***	\$76,200,000	\$4,250,000	\$5,000,000	***	15.2 : 1
Project 19: State Cite, LLC (Info Tech)	***	\$28,521,000	\$8,000,000	\$8,000,000	***	3.6 : 1
Project 20: Momroe Presentations	***	\$34,973,000	\$0	\$5,500,000	***	6.4 : 1
Project 21: CNA	***	\$51,217,940	\$0	\$13,680,000	***	3.7 : 1
Project 22: Green Roof Improvement Fund (GRIF)	Program is Ongoing	\$500,000	\$0	\$500,000	Program is Ongoing	1.0 : 1
Project 23: CTA Block 37	***	\$0	\$4,745,000	\$39,050,000	***	n/a

Central Loop Redevelopment Project Area 2007 Annual Report

TABLE 7(G) – (continued)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

Projects Estimated To Be Undertaken During 2008	Private Investment Undertaken	Public Investment Undertaken	Ratio of Private/Public Investment
Project 1: United	\$15,653,400	\$5,250,000	3.0 : 1
Project 2: CareerBuilder	\$0	\$4,000,000	N/A
Project 3: Mittal Steel	\$4,483,140	\$2,000,000	2.2 : 1
Project 4: Sullivan Center	\$182,522,600	\$9,477,400	19.3 : 1
Project 5: 188 W. Randolph	\$119,000,000	\$20,000,000	6.0 : 1

* Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

Each amount reported here under Public Investment Undertaken, Amount Estimated to Complete the Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Sections 2 or 5 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions including interest that may be payable on developer notes set forth in the Project's operating documents.

Each amount reported here under Public Investment Undertaken, 11/1/1999 to End of Reporting FY, is cumulative from the date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator as each ultimate grantee's rehabilitation work is approved under the program.

*** As of the End of the Reporting FY, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the FY in which the construction of the Project is completed and the total Private Investment figure is available.

**Central Loop Redevelopment Project Area
2007 Annual Report**

**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE
MUNICIPALITY - 65 ILCS 5/11-74.4-5(d)(8)(A)**

During 2007, there were no obligations issued for this Project Area

**Central Loop Redevelopment Project Area
2007 Annual Report**

(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 2007, there were no obligations issued for this Project Area

**Central Loop Redevelopment Project Area
2007 Annual Report**

(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(d)(9)

Please see attached.



Deloitte & Touche LLP
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USA

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Fax: +1 312 486 1486
www.deloitte.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Richard M. Daley, Mayor, and
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the government-wide activities, governmental funds, and agency fund of the City of Chicago, Illinois' Central Loop Redevelopment Project (the "Project") as of December 31, 2007, and have issued our report thereon dated June 20, 2008.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions of Subsection (q) of Section 11-74.4-3 of the Illinois Tax Incremental Redevelopment Allocation Act insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such Subsection.

This report is intended solely for the information and use of the City of Chicago, the Project and the State of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

June 20, 2008

Central Loop Redevelopment Project Area 2007 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Central Loop Redevelopment Project Area is generally bounded by Wacker Drive on the north, Michigan Avenue on the east, Congress Parkway on the south, and Dearborn, LaSalle, and North Franklin Streets on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

